

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3823
ANSWERED ON:13.12.2002
LICENCE FOR CO -OPERATIVE BANKS
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Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether many proposals from Maharashtra State seeking licenses for co-operative banks are pending with RBI;
- (b) if so, the details thereof and since when these are pending;
- (c) the reasons for delay in according licenses to these banks; and
- (d) the time by which a final decision is likely to be taken on these proposals?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) As reported by Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD), the applications of one State Co-operative Bank (SCB), 21 District Central Co-operative Banks (DCCBs) and 214 Urban Co-operative Banks (UCBs) are pending with RBI for issue of licence under Section 22 of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies).

(c) and (d) Due to the adverse features observed in the functioning of the SCB and DCCBs their proposals have been pending for issue of licence. However, as these banks were already functioning at the time when co-operative banks were brought in the purview of the Banking Regulation Act, 1949 (in 1966), they have been allowed to function till such time their applications for licence are rejected by RBI. In so far as UCBs, these proposals are pending disposal due to submission of incomplete proposals, delay in receipt of clarifications sought, delay in receipt of information from promoter's bankers/other agencies, etc. These proposals would be submitted to the Screening Committee of RBI once these clarifications are received. There is no fixed time frame for the disposal of these proposals/applications.